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Inward Internationalization of Services: Exploring Satisfaction and Dissatisfaction for Overseas Students in Australia

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ABSTRACT

Most research has assessed the outward internationalization process of service firms and less is known in the literature about the inward internationalization of services, or companies that provide the service to overseas customers in the domestic market (i.e., tourism, education, healthcare). Specifically, there is scant research looking at the overseas customer perspective. This study attempts to identify the main drivers of satisfaction and dissatisfaction for overseas customers. The critical incident technique (CIT) method was used to collect and analyse the data. A total of 107 critical incidents regarding drivers of satisfaction and dissatisfaction for overseas customers in a higher educational service context were collected. Findings of this study show that drivers of service satisfaction and dissatisfaction for overseas customers derive from elements of the core service and peripheral service. However, the findings show that elements of the peripheral service (living environment, socialization and interaction with others, and personal performance) are more important for international students.

INTRODUCTION

This exploratory study draws from the literature on international marketing and international services to examine inward-internationalisation of service firms. A substantial effort has been put forth by academics to improve the understanding of international services due to the increasing importance of the service sector in the global economy (Patterson, 2004, Styles, Patterson, & La, 2005); Dahringer, 1991; Smith et al., 2006; Samiee, 1999). While several studies examine the internationalization process of service firms (Freeman & Sandwell, 2008, Roberts, 1999, Strom & Mattsson, 2006), this literature predominantly focuses on the experiences of professional and business-to-business services that expand to foreign markets. These studies have addressed topics such as internationalization barriers (Dahringer, 1991, Samiee, 1999, Smith, Gregoire, & Lu, 2006), modes of entry into foreign markets (Ekeledo & Sivakumar, 1998, Erramilli & Rao, 1993, Vandermerwe & Chadwick, 1989), and drivers of international performance (Styles, Patterson, & La, 2005, Winsted & Patterson, 1998).

Nevertheless, a number of service sectors use a different approach to internationalization by reversing the direction of internationalization and bringing the overseas customer to the firm's home country. This domestically-located, inward-internationalization configuration is found in several service

industries such as education (Mazzarol & Soutar, 2008), tourism (Bjorkman & Kock, 1997), entertainment (Duarte & Cavusgil, 1996) and healthcare (Orava, 2002). These service sectors are relevant for many nations, such as Australia, where 50% of the service exports are education, tourism, and transport (Austrade, 2008).

Due to the intrinsic characteristic of inward service internationalisation, it is important to understand how to satisfy overseas customers while they are consuming a service because customer satisfaction judgments lead to increased market share, profitability, positive word of mouth, and customer retention (Anderson, Fornell, & Lehmann, 1994, Oliver, 1997). Thus, consistent with calls for more research on inward internationalization and customer mobility (Pauwels & Ruyter, 2005), the objective of this research is to contribute to the inward internationalisation process of service firms by exploring the main drivers of overseas customer satisfaction and dissatisfaction considering core and peripheral elements of the international service experience. This is in contrast to previous studies that limit their satisfaction research to the evaluation of the core service rather than with the full experience process. This paper is organized as follows. First, a brief overview of the international services literature is provided. A discussion of the unique characteristics of inward internationalizing customer services then follows, along with a discussion on customer satisfaction and dissatisfaction. Next, the methodology is described and the results are reported. The paper concludes with a discussion of the findings, managerial implications, and some areas for future research.

LITERATURE REVIEW

Research on international services has focused predominantly on the outward internationalization activities of service firms (Freeman & Sandwell, 2008). These studies have specifically addressed topics such as international barriers (Dahringer, 1991, Samiee, 1999, Smith, Gregoire, & Lu, 2006), modes of entry (Ekeledo & Sivakumar, 1998, Erramilli & Rao, 1993, Vandermerwe & Chadwick, 1989), and drivers of international performance (Styles, Patterson, & La, 2005, Winsted & Patterson, 1998). Although this

research contributes to the international service arena, it considers predominantly outward forms of internationalization.

Several service sectors use a different approach to internationalization by reversing the direction and bringing the overseas customer to the firm's home country due to structural or strategic motives (Roberts, 1999). This is denominated '*inward internationalization*' (Bjorkman & Kock, 1997), where the service is both produced and consumed in the domestic country of the service firm because of local resources or impossibility to move the service abroad. This domestically-located configuration is found in service industries that require the presence of the overseas customer in the domestic market of the service provider for the service to occur (Ball, Lindsay, & Rose, 2008). As an example, service industries such as education (Mazzarol & Soutar, 2008), tourism (Bjorkman & Kock, 1997), entertainment (Duarte & Cavusgil, 1996), and healthcare (Orava, 2002) require overseas customers to travel to the domestic market of the service provider to consume the service.

Compared to other service sectors, service firms that internationalise inwardly deal with specific challenges inherent to overseas customer mobility to a foreign market. Among these are government immigration policies, exchange rate fluctuations, and potential intercultural service problems (Bianchi, 2010). Immigration policies and exchange rates affect the mobility and destination choice of potential overseas customers. However, once the customer is located in the overseas market, customer satisfaction derives from the overall service experience, which involves living in a new country, interactions between customers and service providers of different cultural backgrounds, and interactions with other customers (Li & Guisinger, 1992, Reardon, Erramilli, & Dsouza, 1996, Zhang, Beatty, & Mothersbaugh).

Services are experiences produced by a system of people and physical elements connected by processes. Specifically, service experiences can be defined as "the outcomes of the interactions between organizations, related systems/processes, service employees, and customers"(Bitner, Faranda, Hubbert, & Zeithaml, 1997, p.193). Customer experiences are therefore multidimensional and result from a

combination of what is offered (core service), and how it is offered (peripheral service) (Anderson, Pearo, & Widener, 2008). Customer experiences also consider the emotional components of the interaction among people (Berry, Carbone, & Haeckel, 2002, Walter, Edvardsson, & Öström, 2010). This is consistent with the SDL service dominant logic which holds that the customer co-creates value in the exchange with the firm (Vargo & Lusch, 2004, Vargo & Lusch, 2008). Thus, the customer co-creation experience is also relevant for satisfaction evaluations.

Several challenges and problems may arise for overseas customers that are not present in their home country. First, customers must travel to a new country that is usually unknown and many times culturally different. High contact between service providers and overseas customers from different cultural background can present potential problems of misunderstandings and frustration during the service encounter (Liu, Furrer, & Sudharshan, 2001, Malhotra, Ulgado, Agarwal, Shainesh, & Wu, 2005, Mattila, 1999, Stauss & Mang, 1999, Winsted, 1997). Additionally, service sectors such as education, tourism, entertainment or healthcare involve a range of service encounters of longer duration, and the overseas customer is exposed to many complementary service encounters because the customer must live in a foreign country while the core service is consumed. This suggests that sources of satisfaction or dissatisfaction for overseas customers involve a wide range of elements that may be different from traditional service encounters held in the domestic country of the customer. For example, within international education the core service is what is being exchanged (i.e., education itself). However, there are several peripheral services for overseas customer while they are living in the host country, such as accommodation, security, healthcare, and other general services. These peripheral services are part of the overall educational experience, and they are outside of the domain of the core contents of education (i.e. lecturers, course content, etc), and they can affect the overall customer satisfaction with the service experience. Furthermore, the core service may take a few days, weeks, or even months to “consume” in a new country, which make the peripheral services even more relevant. Hence, it is probably not

unreasonable to presume that they are likely to play a significant role in enhancing international student satisfaction (Oliver, 1997).

Previous studies find that service quality dimensions are good predictors of satisfaction (Dabholkar & Overby, 2005, Sureshchandar, Chandrasekharan, & Anantharaman, 2002). The theoretical foundation is drawn from the expectancy-disconfirmation paradigm (Oliver, 1980) and the SERVQUAL expectations-perceptions measurement approach (Parasuraman, Leonard, & Zeithaml, 1994, Parasuraman, Leonard, & Zeithaml, 1988). The expectancy-disconfirmation model remains one of the most widely discussed and tested approaches in measuring customer satisfaction. This model assumes that individuals evaluate service performances by comparing the perceived performance with their expectations (Oliver, 1997). It suggests that customer satisfaction is related to disconfirmation, which is defined as the difference between an individual's pre-purchase expectations and post-purchase performance of the service as perceived by the customer (Tse, Franco, & Wilton, 1990). This model has been supported by numerous studies in different industries (Mittal, Kumar, & Tsiros, 1999, Oliver, 1993).

Furthermore, research has also found that the drivers of customer satisfaction may differ from customer dissatisfaction (Cadotte & Turgeon, 1988, Johnston, 1995). For example, Johnston (1995) found that reliability, integrity and responsiveness were the primary drivers of dissatisfaction for bank customers, while attentiveness, responsiveness, care and friendliness were the primary drivers of satisfaction for the same customers. Thus, the elements of the service provision may vary in their ability to impact satisfaction or dissatisfaction (Vargo, Nagao, He, & Morgan, 2007).

Thus, overall, the objective of this study is to examine the drivers of service satisfaction and dissatisfaction for overseas customers. For this study, we chose the higher educational sector as it is an important industry sector in Australia. While the growing interest in student satisfaction research by higher educational institutions has contributed positively to satisfaction research in services, the work on customer satisfaction for international students from different countries is limited (Arambewela & Hall, 2006). Previous research on higher education shows that students are likely to be relatively satisfied with

their experience with the core educational service (e.g. lecturers, infrastructure, and course material). However, for international students, peripheral services such as living conditions, accommodation, safety, cultural activities, socialization, visa and entry requirements may be more crucial and play a significant role in enhancing or deteriorating international student satisfaction (Thompson & Thompson, 1996).

RESEARCH METHODOLOGY

To address this research topic, we use the Critical Incident Technique (CIT), and we collected incidents to identify and categorize incidents producing satisfactory and dissatisfactory service experiences. CIT is an analytical method that uses self-reported stories to classify specific events which are referred to as incidents (Flanagan, 1954). CIT relies on a set of procedures to collect, content analyse, and classify observations of human behaviour (Gremier, 2004, Grove & Fisk, 1997). Thus, it provides a rich source of data by allowing respondents to determine which incidents are the most relevant to them for the phenomenon being investigated. There are several advantages for using CIT for investigating satisfying and dissatisfying behaviours in a foreign service setting. First, the data are collected from the respondent's perspective (e.g., customer), which results in insightful data that reflects the respondents' personal standpoint (Edvardsson, 1992). In addition, CIT generates a comprehensive description of situations and events, which offers an opportunity for exploring an under-researched phenomenon (Gremier, 2004).

To explore overseas customer's drivers of satisfaction and dissatisfaction, critical incidents were collected from overseas students from 20 different countries attending an undergraduate or postgraduate course at a university in Queensland. The interviews were structured around a series of open-ended questions that elicited incidents of satisfaction and dissatisfaction while they are consuming the service (Gremier, 2004). Initially, respondents were introduced by the first author to the issue for discussion and then provided with a consent form to participate. Once consent was obtained, respondents were asked three general questions: 1) what country are you from? 2) When did you arrive to Australia? and 3) what is the purpose of your trip to Australia? Following these questions, respondents were asked to elicit

specific incidents of satisfaction and dissatisfaction while they have been consuming their service in Australia, guided by the following statement: *“think of a time in the last 6 months that you had an extremely satisfying (dissatisfying) experience while you have been consuming your educational service in Australia. Please describe what happened during this incident?”*

Respondents then described in detail the circumstances surrounding a specific satisfying and dissatisfying experience and when it took place. To be used in the analysis, a critical incident was required to (1) have occurred while customers are experiencing the educational service in Australia, (2) to contain a clear example of satisfying or dissatisfying experience, 3) to have been described in enough detail for the researcher to visualize the incident. Prior to data collection, interviews were held with 3 international students to pre-test the CIT method.

Content analysis was used to interpret the responses and classify types of drivers of customer satisfaction and dissatisfaction. This analytical induction process consists of placing recalled incidents (stories) “into groups and categories according to similarities in the reported experiences” (Bitner et al., 1990). In a number of cases there were multiple incidents per interview which resulted in a total of 107 classifiable incidents, 59 incidents related to customer satisfaction and 48 incidents related to customer dissatisfaction. Overall, our research method involved first coding into basic units and then moving to a higher level of abstraction into categories.

RESULTS

Different categories of drivers that lead to satisfaction and dissatisfaction for overseas students emerged from the data. The literature on service experiences which suggests that satisfaction evaluations within service experiences result from a combination of what is offered (core service), how it is offered (peripheral service), and interaction among people (Anderson, Pearo, & Widener, 2008; Berry, Carbone, & Haeckel, 2002, Walter, Edvardsson, & Öström, 2010). The thematic coding resulted in four categories to the classified incidents, and 22 subcategories. The results are presented comprehensively

in Table 1, where the main categories and subcategories are defined, and their frequencies are presented.

Insert Table 1 here

Elements of the Core Service

Drivers of Satisfaction

This category considers service quality elements related to the core service of higher education. It includes elements such as knowledgeable and motivated lecturers and tutors, receiving support from lecturers, tutors and university staff members, well organized program/courses, high quality installations and attractive campus, and obtaining a job/internship experience.

Receiving support from lecturers, tutors and university staff members: International students highly valued the help and support provided by lecturers or tutors when needed. Most international students confront differences in the teaching methodology and language which produces confusion and despair, so they highly value empathy and support from lecturers and tutors.

Knowledgeable and motivated lecturers and tutors: This subcategory contemplates student's perceptions of lecturers and tutors that are highly knowledgeable and are well prepared for the lecture, as well as enthusiastic and motivated. This is satisfying for international students because they have put effort and resources in studying abroad.

Well organized program/courses: This subcategory ponders international student's perceptions that the program of study and courses are well organized in terms of outline, course material, and complementary information. International students especially value when they can see an alignment of information in the different courses taken within a program. It also considers the possibility for international students to conduct a job/internship experience during their program. This is highly valued and a source of satisfaction for international students.

High quality installations and attractive campus: This subcategory considers the international student's perceptions regarding the quality of the university installations and campus. It includes

elements such as modern buildings and classrooms, well equipped library, high tech computer labs, gym, and attractive campus with shops. International students appreciate these installations because it allows them to spend the whole day in the university campus and facilitates their learning process.

Drivers of Dissatisfaction

Several elements of service performance were considered as drivers of dissatisfaction for international students, such as: low performance /poor participation of classmates, low quality of courses/lecturers/tutors or, unsupportive lecturers, tutors or administrative staff, and inefficient process.

Low performance /poor participation of classmates: This subcategory takes into account situations where classmates do not participate in the class discussion or do not communicate well enough their ideas because of language barriers. This is perceived by international students as a waste of time for them and that it hinders the quality of the lecture.

Unsupportive lecturers, tutors or administrative staff: This subcategory considers lecturers or tutors that are not approachable or supportive. According to respondents, when lecturers or tutors don't reply their emails, don't answer questions, or don't provide guidance, international students feel high levels of dissatisfaction with the course they are taking.

Low quality of courses/lecturers/tutors: This subcategory refers specifically to lecturers or tutors that are unprepared in class, or show limited knowledge regarding the subject they are teaching. It also includes courses that have confusing outlines, low quality material, or inappropriate evaluations. International students feel that this is a big and perhaps only opportunity they will have to learn new concepts so they want to make the most out of the program and not waste their time and money.

Inefficient administrative process: Problems or mistakes in administrative processes such as enrolment, course registration, or lectures/tutorials changes affect international students because this implies spending valuable time in solving problems.

Elements of the Peripheral Service

Environment of the Living Environment

Drivers of Satisfaction

This category refers to the elements of the customer's experience related to the host living environment of the international students. Satisfying elements of this category include elements such as receiving support from home stay family and friends, visiting attractive touristic attractions and having good weather, well organized city with good transportation, and exceptional customer service.

Visiting touristic attractions and having good weather: International students usually travel around the city/country while they are studying abroad and it is considered part of the international experience. Thus, being able to visit beautiful touristic attractions and having a good weather is an important source of satisfaction for international students.

Receiving support from home stay family and friends: International students living in a new country value having a support group to help them sort out domestic situations of their daily life, such as from the home stay families. Most international students are away from their families and some of them for the first time, so they appreciate when local families are kind to them or share some time for conversation or sharing a meal with them.

Well organized city and good customer service: This subcategory refers to the perception of international students that they are living in a city that is safe and well organized, with good transportation and medical services. They appreciate being treated well by retail or medical staff and having the possibility to return merchandise.

Drivers of Dissatisfaction

Several elements in this category were considered by overseas students as leading to dissatisfaction, such as being insulted by other people, poor customer service, differences in food and retail operations compared to home country, and problems in everyday life situations such as accommodation, health services, safety.

Problems in living conditions (accommodation, health services, safety): Elements of the environment in the new country such as safety, accommodation, healthcare and services, can cause problems for many international students because it involves aspects of their daily lives. Specially, activities such as finding an appropriate accommodation lease is a source of anxiety for international students and a source of dissatisfaction for many international students because of the way they are treated by property rental companies and other tenants.

Being insulted/discriminated against by local people: This happens when international students receive verbal or physical signs of discrimination. Asian international students are frequently screamed at and told to leave the country. Others are insulted by local Australians because of their racial background. This produced feelings of fear and despair and much dissatisfaction.

Differences compared to home country: This refers to the inability of international students to purchase their preferred food or spices, or situations when there are differences in store hours of operations or customer service in Australia, which produces dissatisfaction to some international students.

Personal Elements

Drivers of Satisfaction

This category considers the overseas students' capability to perform well while they are undertaking their educational course. This is one of the most frequently mentioned dimension of satisfaction for overseas students, and includes elements such as achieving good marks in evaluations, obtaining a degree in higher education, and learning and applying new concepts to real-world problems,.

Achieving high evaluation/obtaining a degree: The ability of international students to complete their course work, achieve high evaluation marks in their assignments and exams, and obtaining a degree in a prestigious country like Australia higher education was mentioned as a driver of high satisfaction for overseas students. High marks made students and parents proud and the degree was

considered very useful to improve the likelihood of getting a better professional job in their home country.

Learning/applying new concepts: This subcategory considers the individual capacity of the international student to grasp new knowledge during their program in terms of theories and models and gain professional skills that can be applied to the real world. This requires for international students to have the capability to understand the language, terminology, and methodology involved in the learning activity.

Drivers of Dissatisfaction

Elements of student performance were also cited frequently as sources of dissatisfaction for international students while studying a course in higher education. This category included elements such as: miscommunication and misunderstandings due to language barriers, feeling overwhelmed with the course work, and achieving low evaluations/marks.

Miscommunication/misunderstandings: This subcategory considers the international student's inability to speak the local language, communicate ideas to other people, or understand instruction and requirements. Language barriers inhibit the capacity to communicate and be understood by lecturers and classmates, and cause great frustration and sources of dissatisfaction. It also hinders the international student's capacity to understand instructions or concepts during the lecture or tutorials.

Feeling overwhelmed: International student's general feeling of stress and a demanding work load from their coursework is an important driver of dissatisfaction for international students. Feeling overwhelmed affected their performance and affected their mood.

Achieving low marks: This subcategory corresponds to international student's poor outcomes on evaluation marks in their assignments and exams. Low marks led to dissatisfaction when the students believed that they deserved a higher mark.

Interaction-Socialization Elements

Drivers of Satisfaction

This category considers the social activities and interactions with other customers developed by the international students while studying a degree in higher education. Satisfiers include elements such as meeting people from many different countries, experiencing new culture, food and language, learning about new perspectives, and feeling welcomed and accepted by local people.

Meeting people from many different countries: This subcategory refers to the possibility of international students of meeting people from different countries to share their international experiences and be exposed to new concepts and ideas. It also gives international students the opportunity to make long life friends that they can visit in their future.

Experiencing new culture: This subcategory relates to international students learning about new countries and cultures through food, language and customs. This is an important satisfier especially for international students from homogeneous countries because it allows them to learn about perspectives in addition to their coursework. Most international students agree that they study abroad not only to obtain a degree but also to have an international experience.

Feeling welcomed and accepted by local people: This subcategory refers to feelings of international students of being accepted and welcomed by the host Australian people. International students value highly the possibility of feeling part of the local culture. This includes things like having local friends or being invited to Australian parties, being supported by the local home stay families, or working in Australian companies.

Drivers of Dissatisfaction

Sources of dissatisfaction of this category related to socialization performance include the following elements: feeling lonely, feeling discriminated or not accepted by local people, classmates, or companies.

Feeling discriminated or not accepted by local/international people: This subcategory refers to instances where international students have not been accepted or invited by Australians or other international students. It also includes instances where local classmates show evident signs of being

bored or not interested in the opinions of international students, which affects their self esteem and confidence.

Feeling lonely and homesick: International students usually travel alone to a new country without relatives or friends. They usually don't know people in the host country and therefore expect that the university activities will help them meet new friends. However, some international students have difficulty in this process and feel very dissatisfied.

Discussion and Conclusions

From the data, we identified relevant drivers of satisfaction and dissatisfaction for overseas customers in the higher educational sector using CIT methodology. The categories identified are 1) elements of the core service, and 2) elements of the peripheral service. Within the peripheral elements we identify three categories: a) elements of the living environment, b) elements of personal performance, and c) elements of interaction and socialization. The findings of this research show that evaluations of satisfaction and dissatisfaction for international students are composed of functional attributes of the core service (service performance), and elements of the peripheral service (conditions of the host living environment, as well as relationship among customers and with service providers). In addition, service evaluations are also impacted by the performance of the international student. Thus, these findings support previous research that suggests that where both core and peripheral attributes are positively and negatively related to overall satisfaction (Anderson, Pearo, & Widener, 2008). An interesting result is that only 25.1% of elements of the core service are drivers of satisfaction for international students (and 26.6% for drivers of dissatisfaction). This highlights the importance of peripheral elements of the service experience for international students' satisfaction judgements.

When looking specifically at the core service, drivers of satisfaction for international students are having knowledgeable and motivated lecturers and tutors, receiving support from lecturers, tutors and university staff members, well organized program/courses, high quality installations and attractive campus. These findings are consistent with previous studies which find that service quality elements

are good predictors of satisfaction (Dabholkar & Overby, 2005, Sureshchandar, Chandrasekharan, & Anantharaman, 2002). The data also identified that poor performance or participation of classmates, low quality of courses, lectures, or tutors, and unsupportive lecturers, tutors or administrative staff, were relevant drivers of dissatisfaction for international students. It was particularly notable that customer affect with the service provider played an important role in overall satisfaction evaluation of the service. These findings are consistent with previous research that suggests that functional elements as well as affective reactions impact service satisfaction judgments (Garry, 2007; Oliver, 1993; Alford and Sherrell, 1996).

The findings of this study also support the notion that peripheral attributes of services, specifically physical and relational attributes, are positively related to overseas customer satisfaction (Bitner & Tetreault, 1990, McDougall & Levesque, 2000, Walter, Edvardsson, & Öström, 2010). Several peripheral services are relevant for overseas students while they are living in the host country, such as accommodation, socialization, and personal services, all of which are outside of the domain of core contents of education. We find that these peripheral attributes play a significant role in enhancing student satisfaction and dissatisfaction with the overall service. Thus, salient characteristics or events regarding the social interaction and the physical context drive satisfactory and dissatisfactory experiences for customer (Reimer & Folkes, 2009, Walter, Edvardsson, & Öström, 2010). In fact, performance of the host environment is the strongest driver of satisfaction and dissatisfaction for international students, although this result may be due to the nature of this service. For example, nice weather and beautiful landscape are both drivers of overseas customer satisfaction. Similarly, Alves and Raposo (2009) find that emotions play an important role for student satisfaction.

Another interesting contribution of this study is the finding that personal performance of overseas customers also drives service satisfaction and dissatisfaction. Drawing on the SDL service dominant logic, overseas students participate as co-creators of value in the educational service which is critical

to satisfaction evaluations. This might be due to rewarding feelings of being able to achieve a goal, and making their family proud of their performance (Vargo & Lusch, 2008).

Moreover, our findings also support the notion that drivers of customer satisfaction differ from the drivers of customer dissatisfaction (Cadotte & Turgeon, 1988, Johnston, 1995, Vargo, Nagao, He, & Morgan, 2007). Some of the subcategories were found to elicit satisfaction when present but their absence did not cause dissatisfaction (Vargo, Nagao, He, & Morgan, 2007). For example, achieving high marks were more important for international students for satisfaction evaluations, but not having high marks did not elicit dissatisfaction. Only low marks that were considered unfair led to dissatisfaction evaluations. Similarly, problems in living conditions such as accommodation or healthcare were a strong source of dissatisfaction for international students, but its absence did not affect satisfaction evaluations. Finally, a critical attribute that created either a positive or negative impact on satisfaction and dissatisfaction, was socialization performance. For international students, meeting people from other countries impacted satisfaction evaluations, and the opposite was felt for international students that didn't socialize or felt discriminated.

Overall, the results of this study suggest that the service experience for overseas customers is multidimensional and results from a combination of what is offered, how it is offered, and the emotional components of the interaction among people (Berry, Carbone, & Haeckel, 2002, Walter, Edvardsson, & Öström, 2010). It is therefore important that service providers of overseas customers not only be aware that there are four categories of drivers of satisfaction and dissatisfaction, but that they also need to understand the strength of each subcategory (or service attribute) for overseas customers in the higher educational context. This has implications in terms of staff training, empowerment of employees and recruitment. Furthermore, these service providers must also consider ways to enhance and promote socialization among customers since it leads to increased levels of overall satisfaction with the service.

A key limitation of this study is the sampling frame that consists exclusively of overseas students attending a University in Australia. Future research should consider other educational sectors, as well as other inward internationalization service sectors such as the tourism, healthcare, entertainment and travel industries. In addition, more research should be undertaken with quantitative methods to generalize these findings.

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Table 1: Drivers of Service Satisfaction and Dissatisfaction for Overseas Customers of Higher Education

Core Service

Drivers of Satisfaction (25.1%)

Receiving support from lecturer, staff members (14.3%)
 Knowledgeable lecturer and well organized program (7.2%)
 Attractive Campus and high quality installations (3.6%)

Drivers of Dissatisfaction (26.6%)

Low performance of classmates (10.2%)
 Not receiving support from lecturers, staff (8.2%)
 Low quality courses/lecturers/tutors (8.2%)

Peripheral Service

Environment Performance

Drivers of Satisfaction (26.7%)

Beautiful touristic attractions and good weather (17.8%)
 Receiving support from local people (5.3%)
 Well organized city with good service (3.6%)

Drivers of Dissatisfaction (34.6%)

Problems with accommodation (16.2%)
 Feeling discriminated/insulted by locals (10.2%)
 Differences in living conditions/food (8.2%)

Personal Performance

Drivers of Satisfaction (25%)

Achieving high evaluations and obtaining a degree (16.1%)
 Learning/applying new concepts (8.9%)

Drivers of Dissatisfaction (22.4%)

Miscommunication and misunderstanding (10.2%)
 Feeling overwhelmed (8.2%)
 Achieving low marks (4.0%)

Socialisation Performance

Drivers of Satisfaction (23.2%)

Meeting people from many different countries (17.8%)
 Experiencing a new culture (3.6%)
 Feeling welcomed and accepted by local people (1.8%)

Drivers of Dissatisfaction (16.4%)

Feeling discriminated by classmates (8.2%)
 Feeling lonely and homesick (8.2%)
